



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5291

801-359-3940 (Fax)

801-538-5319 (TDD)

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

August 9, 1996

CERTIFIED RETURN RECEIPT

P 074 976 367

E. B. King, President
Jumbo Mining Company
6305 Fern Spring Cove
Austin, Texas 78730

Re: Division Directive to Commence Reclamation, Jumbo Mining Company, Drum Mine,
M/027/007, Millard County, Utah

Dear Mr. King:

We have reviewed your August 5, 1996 response to our August 1, 1996 letter which notified you of our intent to initiate enforcement actions as provided for under the Utah Mined Land Reclamation Act. We have considered the supplemental information and your reasons for delaying an enforcement action. It is our opinion that the information fails to provide sufficient justification for us to alter our position in this matter.

This letter is sent advising you that the Division is hereby initiating the enforcement provisions as outlined under the Utah Mined Land Reclamation Act, Title 40-8-21(3) and more specifically, Minerals Rule R647-4-117.4 (Notification of Suspension or Termination of Operations). These regulatory provisions authorize the Division to require reclamation of a large mining operation after five (5) years of continued suspension. Title 40-8-16(2)(c) authorizes the Division to withdraw approval of a notice of intention after mining operations are continuously shut down for a period in excess of five years.

A partial permit transfer agreement was entered into between WSMC, Jumbo Mining Company (JMC) and the Division of Oil, Gas and Mining in August of 1989. This agreement effectively transferred the continued mining and reclamation responsibility of roughly two thirds (2/3rds) of the Drum mine site from WSMC to JMC. Jumbo Mining Company assumed continued operational and reclamation responsibilities for approximately 84 acres of existing surface disturbance. Mining operations were suspended at the Drum Mine in October of 1990. The suspension of operations has continued to date. Minimal maintenance has occurred and the overall site conditions have continued to deteriorate. Jumbo Mining Company has not finalized

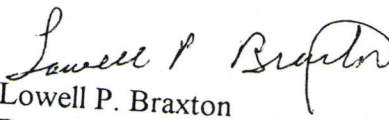


Page 2
August 9, 1996
M/027/007

the permit transfer process and ongoing litigation between JMC and WSMC over ultimate reclamation responsibilities remains unresolved.

Jumbo Mining Company is hereby directed to commence immediate reclamation of its portion of the surface disturbance associated with the Drum Mine, located in Millard County, Utah. Reclamation must be conducted in accordance with the reclamation performance standards as outlined under Rules R647-4-110 & R647-4-111. Should JMC choose to appeal this decision, you may file a formal petition before the Board of Oil, Gas and Mining as provided for under the Administrative Procedures R647-5 et seq.

Sincerely,


Lowell P. Braxton
Deputy Director

jb

cc:

Don Ostler, DWQ
Rex Rowley, BLM
Terry McParland, BLM
Al Cerny, WSMC
Tom Mitchell, Esq. - AAG
Jim Carter
~~Lowell Braxton~~ Mary Ann Wright

M027007.rec